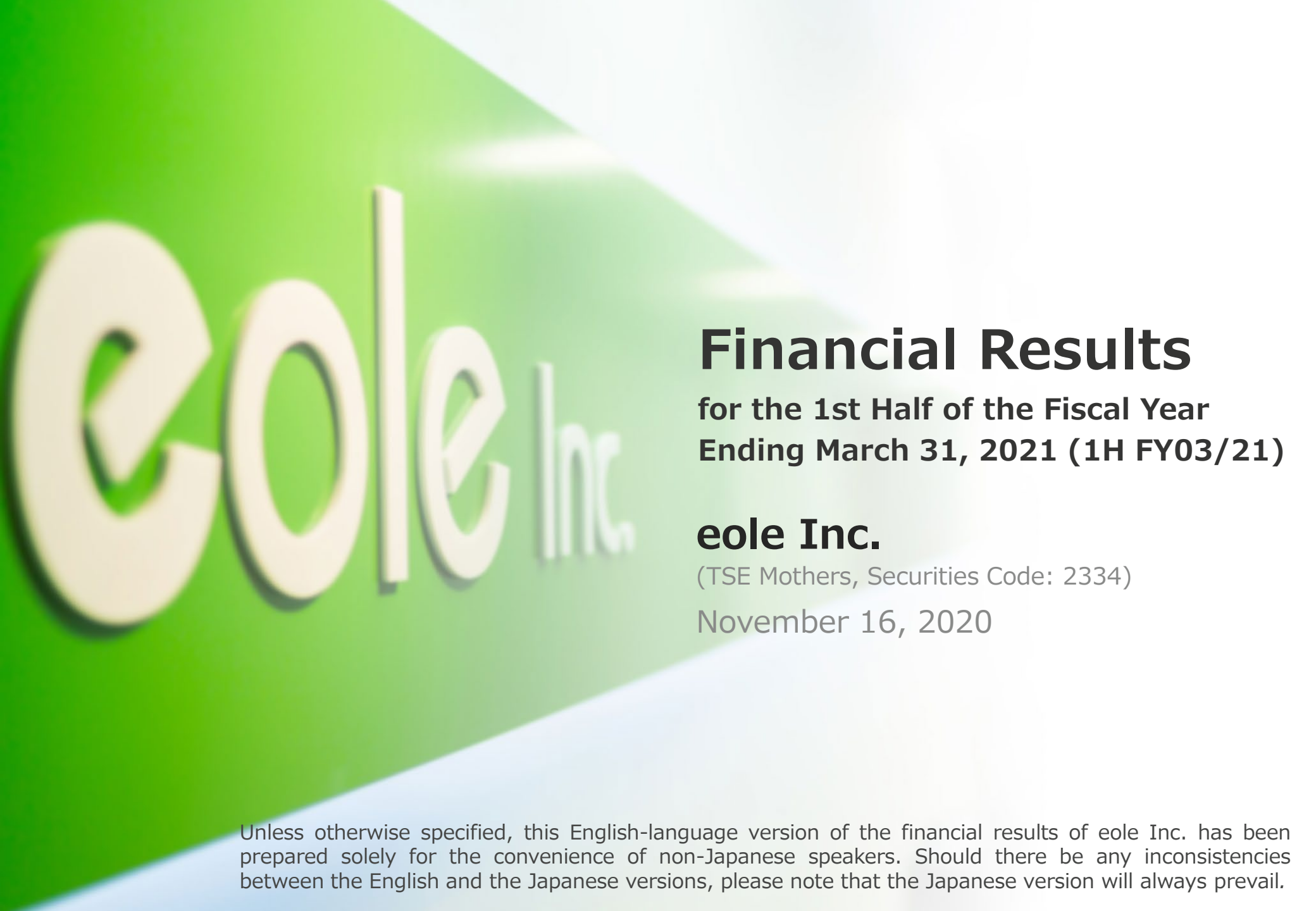


# Financial Results

## for the 1st Half of the Fiscal Year Ending March 31, 2021 (1H FY03/21)

**eole Inc.**

(TSE Mothers, Securities Code: 2334)

November 16, 2020

Unless otherwise specified, this English-language version of the financial results of eole Inc. has been prepared solely for the convenience of non-Japanese speakers. Should there be any inconsistencies between the English and the Japanese versions, please note that the Japanese version will always prevail.

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II Financial Overview for 1H FY03/21

III Business Review for FY03/21

IV Other Business Initiatives


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# I Corporate Profile

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# Corporate Profile

| | | | |
|---|---|---|---|
| **Company Name** | eole Inc. | | |
| **Established** | April 25, 2001 | **Stock Market** | The Mothers section of the Tokyo Stock Exchange (Securities code: 2334) |
| | | **Head Office** | 9F KDX Takanawadai Building,<br>3-5-23 Takanawa, Minato-ku, Tokyo<br>108-0074, Japan |
| **Capital** | 745 million yen<br>*As of September 30, 2020 | **TEL** | +81-3-4455-7092 |
| **Number of Employees** | 91<br>*As of September 30, 2020 | **FAX** | +81-3-5793-3533 |
| **Board Members** | President: Makoto OGAWA<br>Chairperson: Naohito YOSHIDA<br>Director: Takehisa ICHIJO<br>DIRECTOR: Hiroaki IWASAKI<br>External Board Director: Suguru TOMIZUKA<br>Corporate Auditor: Minoru AKIMOTO<br>Auditor: Toru OYAMA<br>Auditor: Masahiro TAJIMA | **Lines of Business** | 1. Sales, marketing and service of internet-based computers and smartphones, including Rakuraku Contact Network, a communication network service that supports group and social activities, Gakuba Arbeit and Rakuraku Arbeit.<br>2. Internet advertising business<br>3. Development and offer of pinpoint, a private Data Management Platform(DMP)<br>4. Development and offer of the HR Ads Platform<br>5. Sales promotion |
| | | **Main Banks** | Mizuho Bank<br>Sumitomo Mitsui Banking Corporation |

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# History

2001 eole Inc. established in Roppongi, Minato Ward, Tokyo (Paid-in capital: 10 million yen)

Head office moved to Nishihara, Shibuya Ward, Tokyo

2003 Head office moved to Okusawa, Setagaya Ward, Tokyo

2005 **'Rakuraku Contact Network' launched**

2007 Rakuraku Contact Network subscribers exceeds 1,000,000 users.

2009 Rakuraku Contact Network subscribers exceed 3,000,000 users, while the number of groups exceeds 200,000 in total.

2010 **'Gakuba Arbeit (former Daigakusei Arbeit.com)' launched**

2011 Rakuraku Contact Network subscribers exceeds 5,000,000 users, while the number of groups exceeds 270,000 in total.

2013 **'Rakuraku Arbeit' launched**

Head office moved to Takanawa, Minato Ward, Tokyo.

Smartphone app 'Rakuraku Contact Network' released.

2014 **Started provision of private DMP*1 , pinpoint DMP*2**

Delivery to Google's "DBM (Double-Click Bid Manager)" utilizing pinpoint DMP started.

2015 Delivery to Facebook, Twitter, Instagram and YouTube utilizing pinpoint DMP started.

Business partnership with Mainichi Comnet Co., Ltd. concluded.

2016 Rakuraku Contact Network app surpasses 1 million downloads

Delivery to LINE trough FreakOut's "Red" utilizing pinpoint started.

2017 Delivery to LINE's "LINE Ads Platform" utilizing pinpoint DMP started.

Capital and business partnership with Toppan Printing Co., Ltd. concluded.

Listed on Tokyo Stock Exchange Mothers Section

2019 **Recruitment support network 'JOBOLE' launched**

Paid-in capital increased to 737 million yen

Rakuraku Contact Network app surpasses 2 million downloads

Business partnership with DM SOLUTIONS Co., Ltd. concluded.

2020 **Programmatic job advertising platform 'HR Ads Platform' launched**

'HR Ads Platform' linked with "Lacotto," an information portal for part-time and temporary jobs operated by CareerIndex Inc.

*1, 2 Refer to "Glossary" (at the end of this document).

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# Business Overview

| Business | Service | Overview | Revenue model |
|---|---|---|---|
| Programmatic ads | pinpoint *1 | DSP*2 advertisement service in cooperation with pinpoint DMP*1 which possesses highly accurate data based on registration information in our services. | DSP advertisement service (programmatic ad) based on own private DMP, including a trading desk*3. |
| | Other programmatic ads | "Indeed" and other agency services for media advertisements/programmatic ad business utilizing JOBOLE | Programmatic ad services |
| Proprietary media | Rakuraku Contact Network らくらく連絡網 | A service which supports group and community activities, including extracurricular activities, club activities and Parents and Teachers Association (PTA). | • Advertisements<br>• SSP advertisements, etc.<br>• A paid version of Rakuraku Contact Network is also available |
| | Gakuba Arbeit ガクバアルバイト | Website for part-time job recruitment information exclusive to college and university students. | Posting fees |
| | Rakuraku Arbeit バイト探しの決定版 らくらくアルバイト | Portal site for part-time job seekers. | Result reward (PPA) |
| Other | Other | Other main services include<br>1. Sales promotion: Agency for field-based advertising of products on university campuses.<br>2. Other company job advertisements: Agency for job advertisements pertaining to other companies. | To be established individually |

*1-3 Refer to "Glossary" (at the end of this document).

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## The largest contact network supporting group and community activities in Japan.

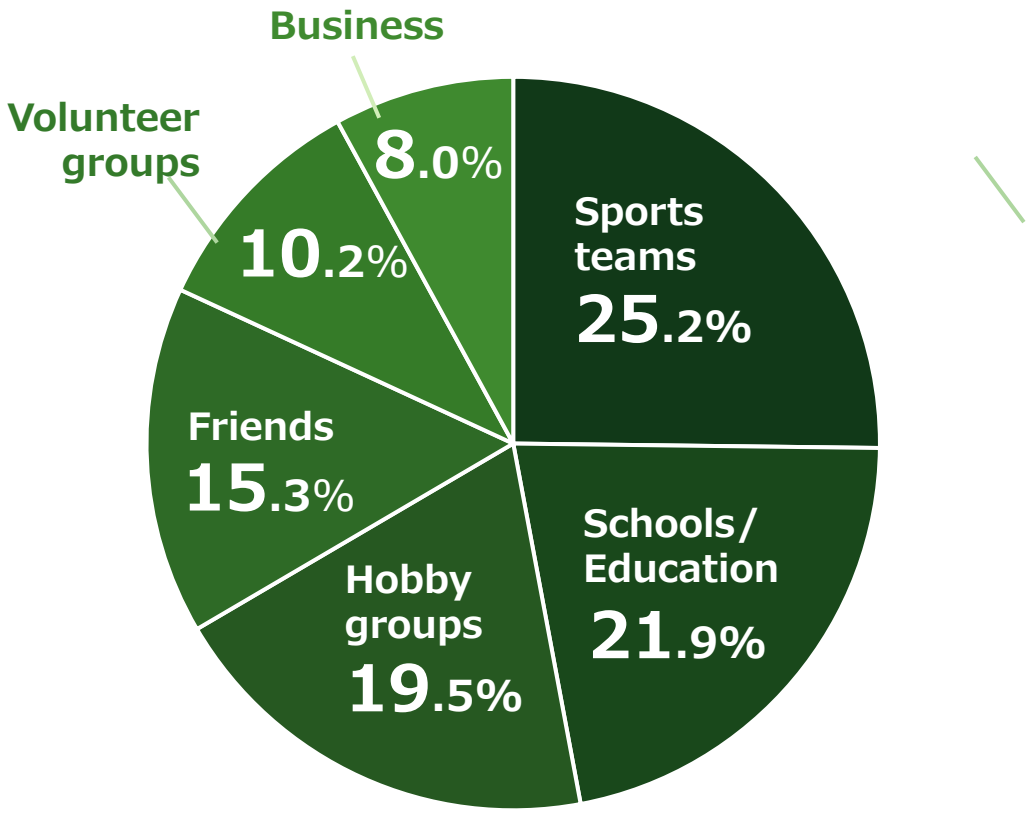


**Used by 390,000 groups and 6,960,000 members**[*1]

Assists group activities with convenient functions such as **scheduling** and **attendance checking**.

*1,2 As of September 30, 2020

**Attributes of clubs and activities**[*2]

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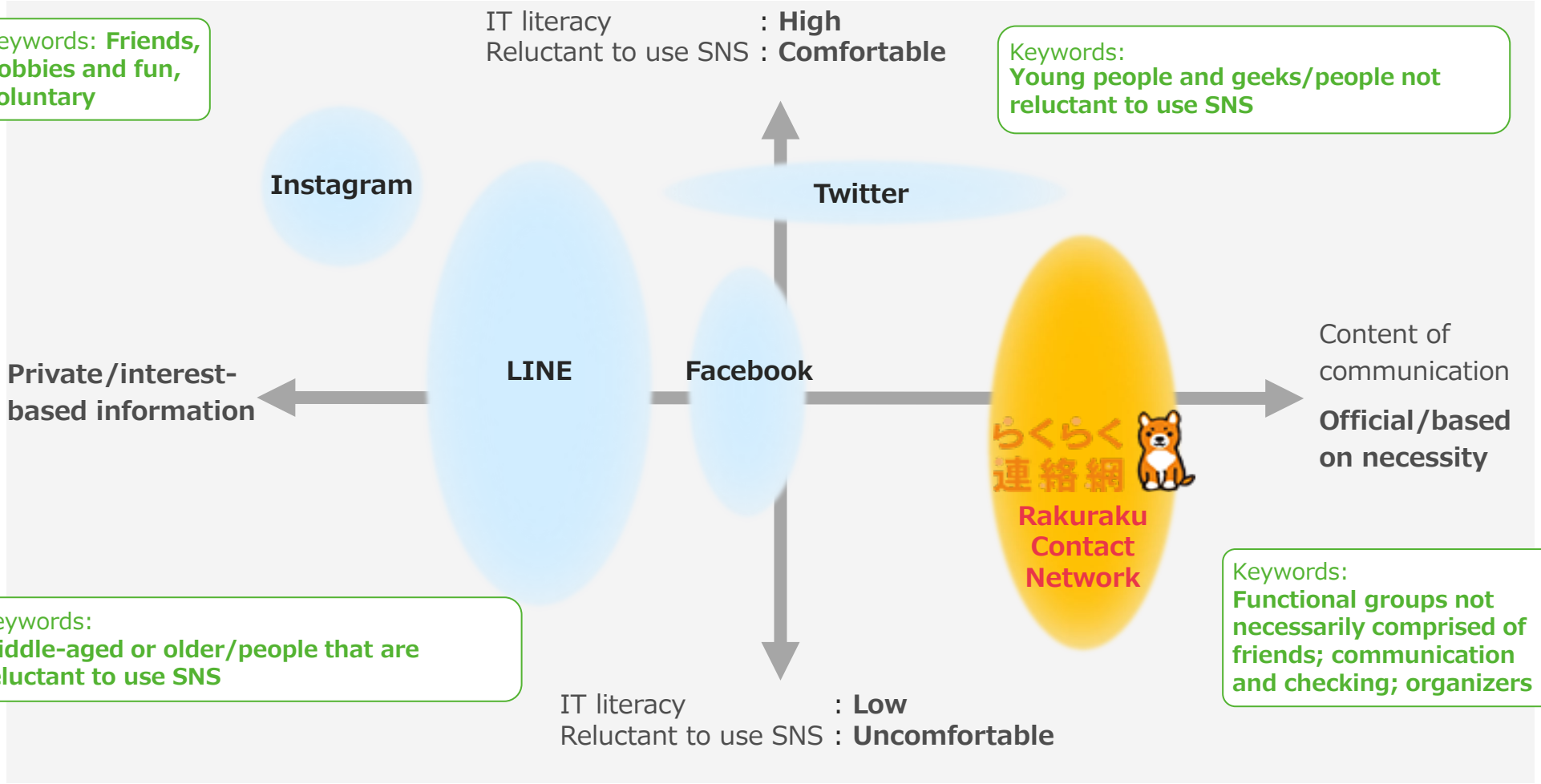
## Position alongside SNS services (Conceptual diagram)

Organizers and leaders in functional groups not necessarily comprised of friends use the Rakuraku Contact Network as an information sharing tool for communication and checking.

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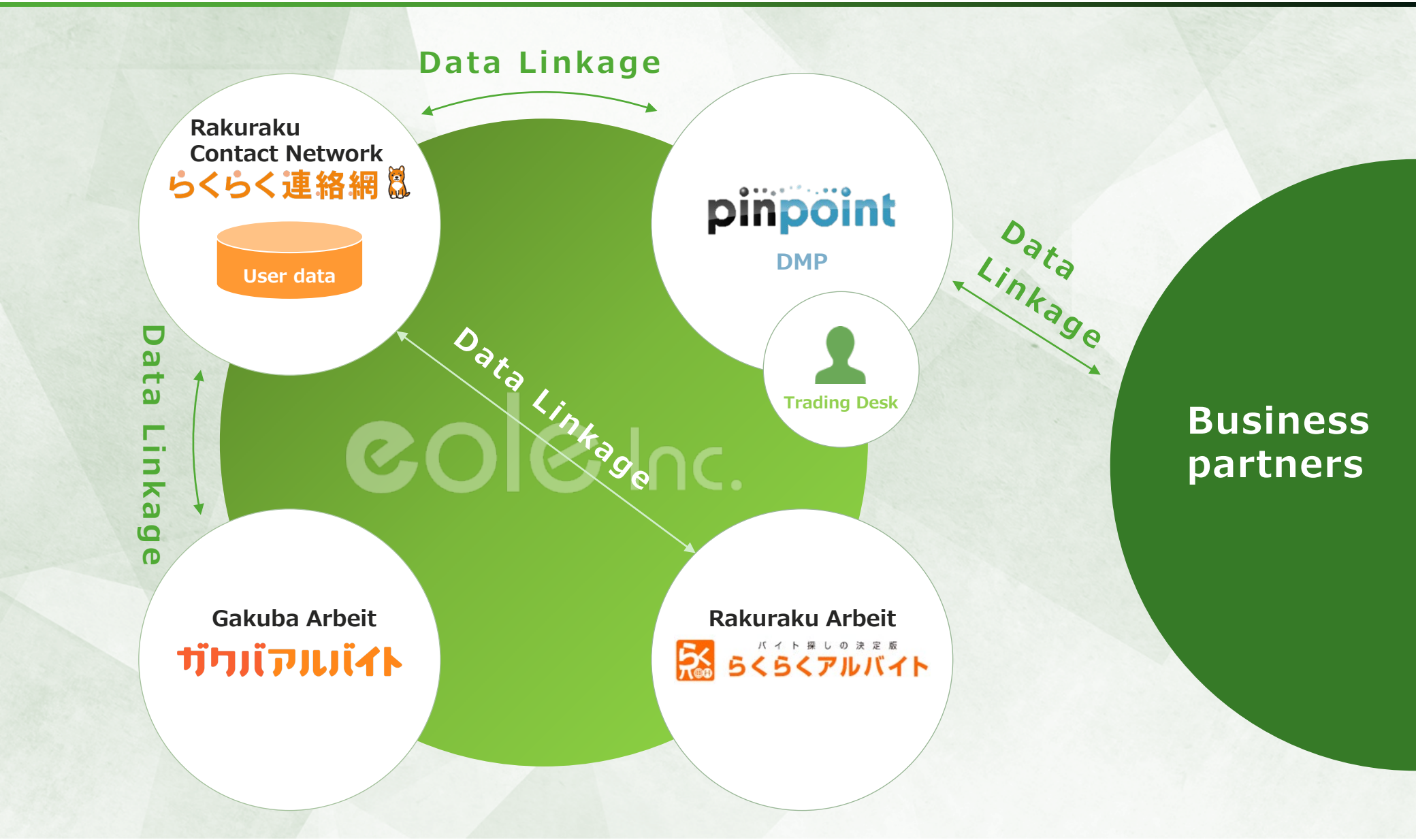
# Business Model Utilizing Rakuraku Contact Network

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# Business Overview
## — Proprietary media: Gakuba Arbeit, Rakuraku Arbeit

"Gakuba Arbeit" is a part-time job recruitment information site exclusively for college and university students. "Rakuraku Arbeit" is a part-time job recruitment information portal site.




### Gakuba Arbeit

- A part-time job **recruitment information site** exclusively exclusive for college and university students based on the Rakuraku Contact Network
- Revenue model: **Posting fee**




### Rakuraku Arbeit

- A part-time job **recruitment information site** where a wide range of recruitment information from job information provider partner sites is posted, enabling one-stop applications.
- Revenue model: Performance-based **(PPA)**

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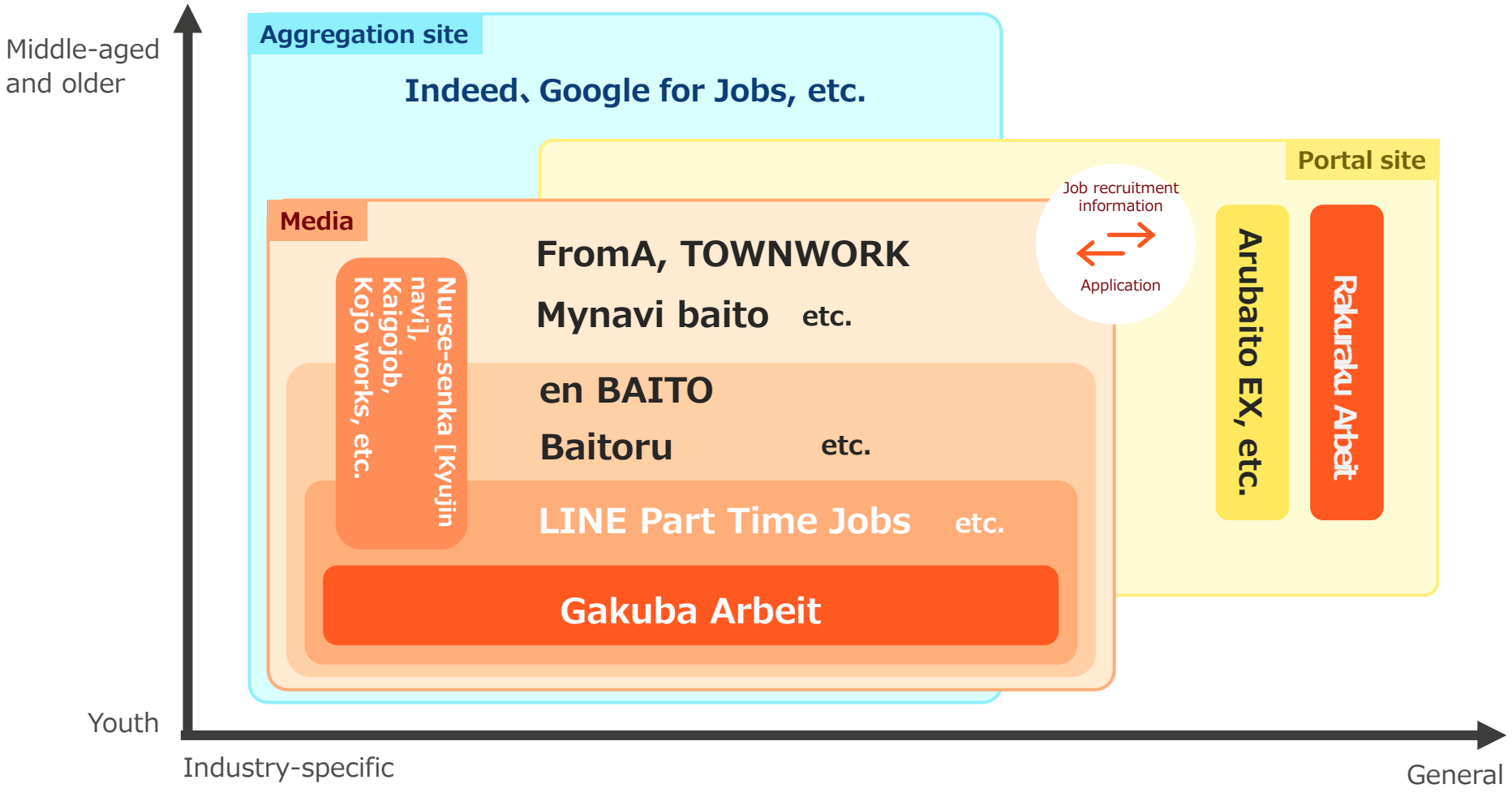
## Position “Gakuba Arbeit” and ”Rakuraku Arbeit” in job media (Conceptual diagram)

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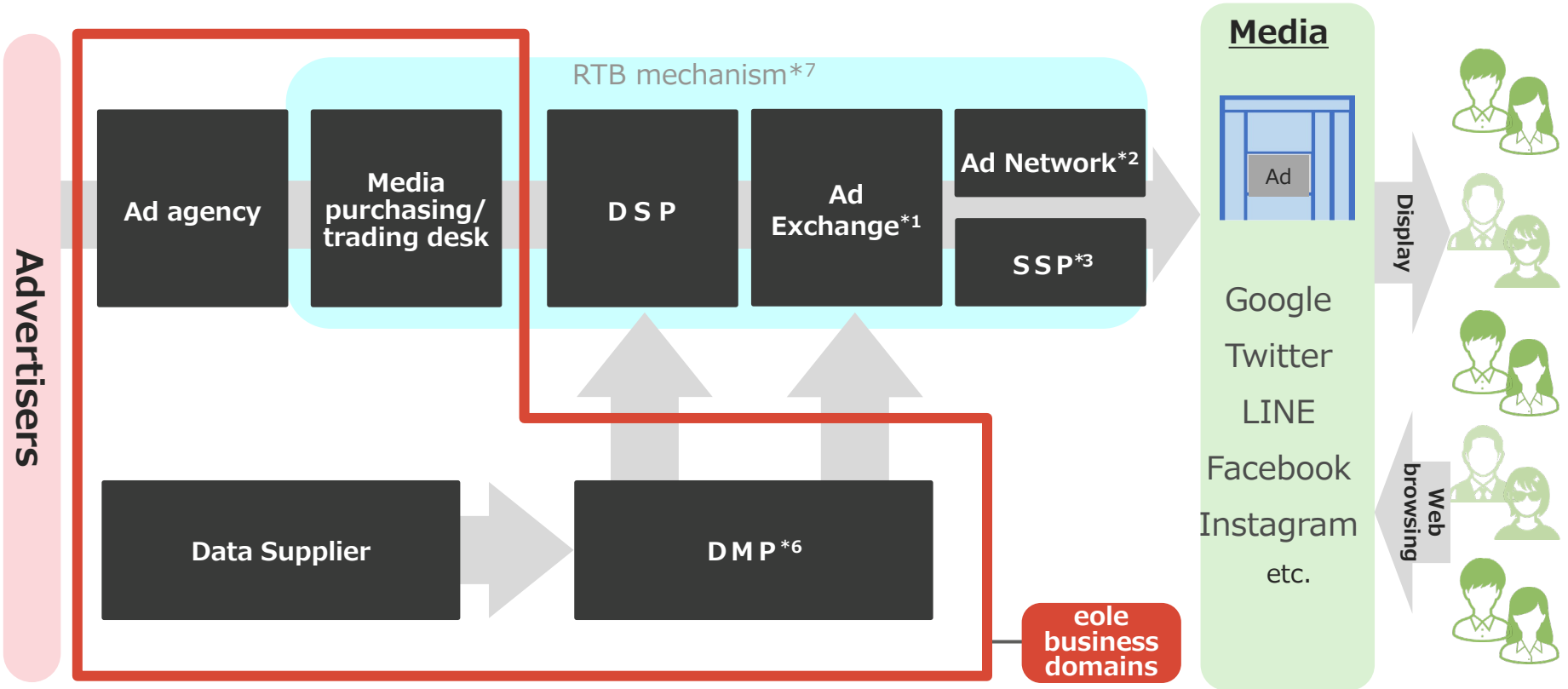
## eole's business domain in internet advertisement (Conceptual diagram)

**Utilizing its unique data, eole generates revenue from DPS/social media ad services including agency trading desk and creative production.**




*1-7 Refer to "Glossary" (at the end of this material).

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## A DMP (Data Management Platform) that enables ad delivery utilizing user information from the Rakuraku Contact Network and business partners.

We possess data of over 20 million people in total based on the clear attribute data of the Rakuraku Contact Network and business partners.




With the growth of web advertisement and smartphone advertisement markets, advertisement exposure taking advantage of technology (ad-tech) and with pinpoint targeting has become the mainstream.

In compliance with the Personal Information Protection Law, we collect and use information as data without identifying individuals. Moreover, in October 2017, we made a declaration as an anonymously processed information handling business operator.

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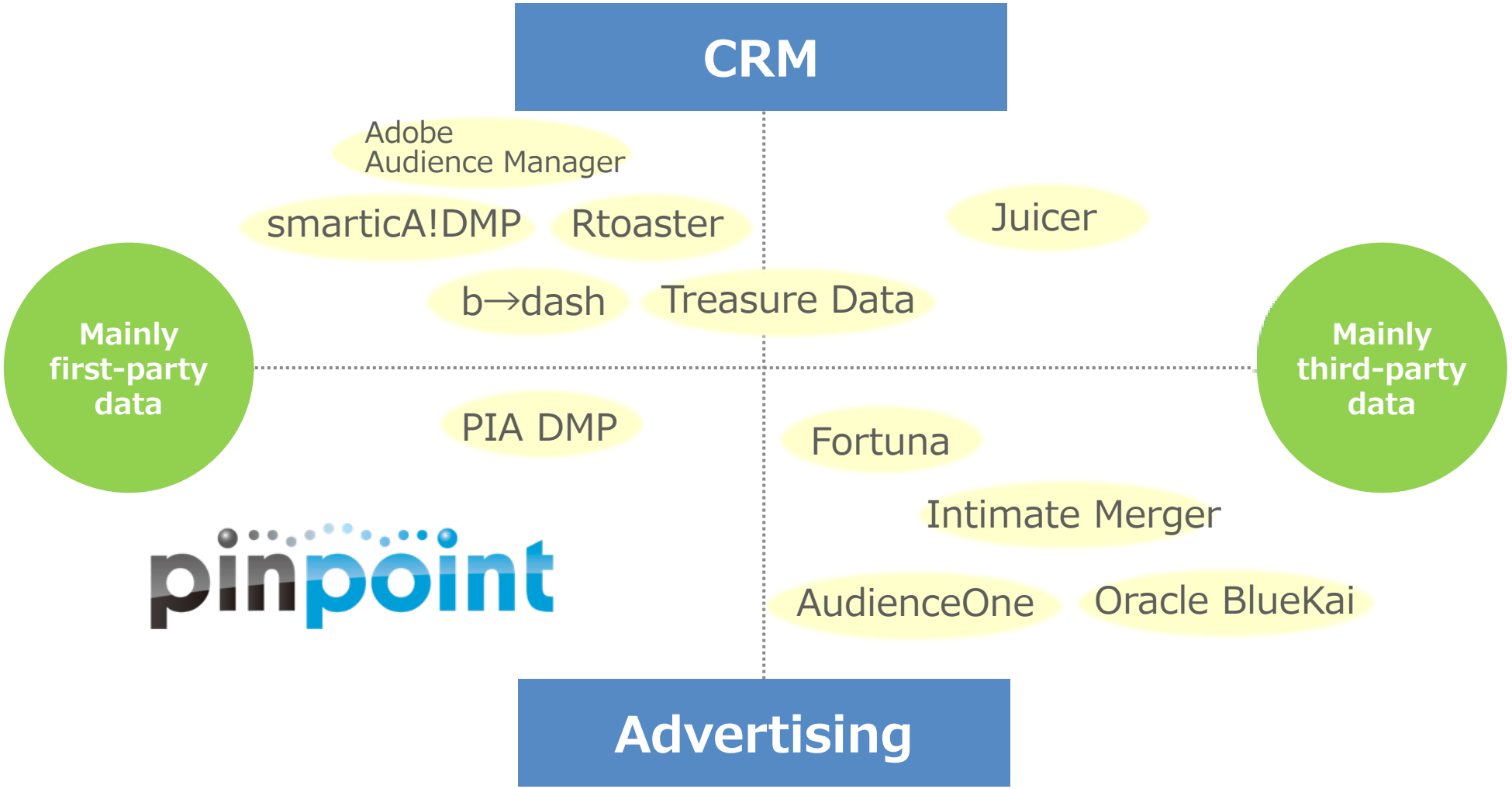
# DMP* (Data Management Platform) Vendors




* Refer to “glossary” (at the end of this material).

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# II Financial Overview for 1H FY03/21

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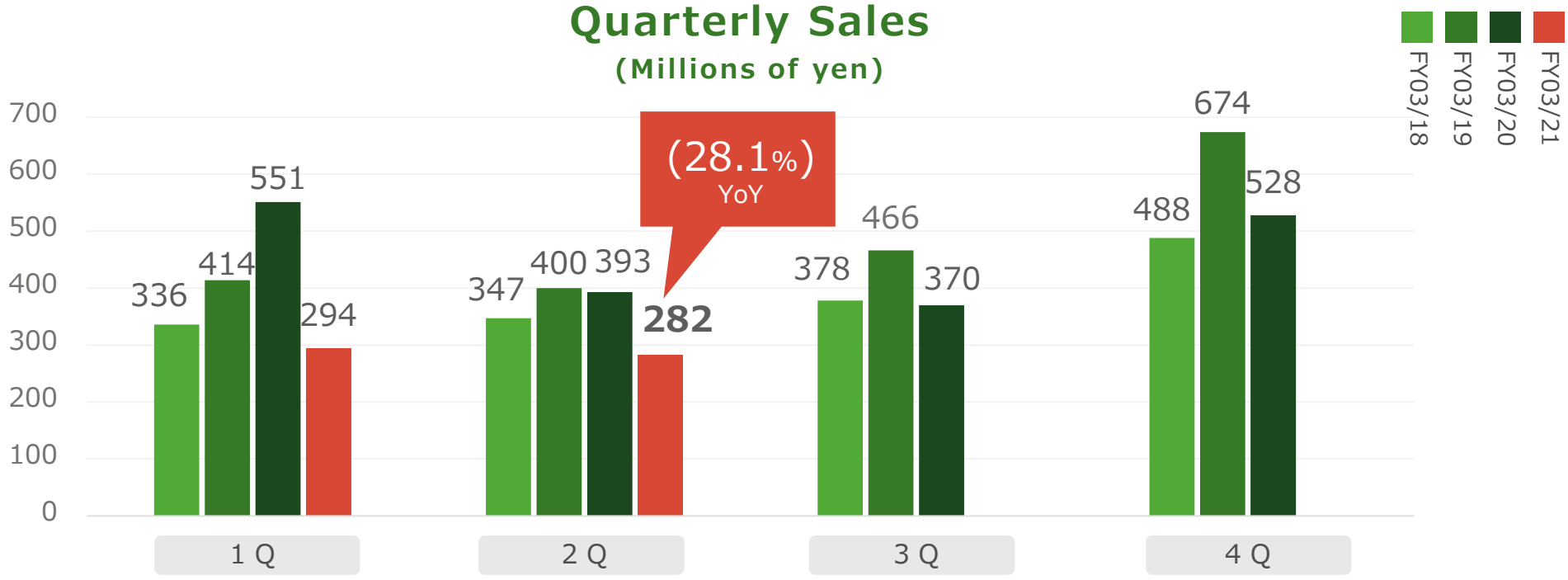
# Trend in Business Results — Quarterly sales

- In 1Q FY03/21, sales decreased by 46.7% compared to last year due to the impact of the state of emergency related to COVID-19.
- In 2Q FY03/21, sales decreased by 28.1% compared to last year, narrowing the gap from the same period of the previous year.
- Currently, sales are showing a continuous recovery.




Note: All figures are rounded down to one million yen. The year-on-year rate is rounded down to an integer after making calculations in units of one yen. These cutoff methods are applied throughout this document.

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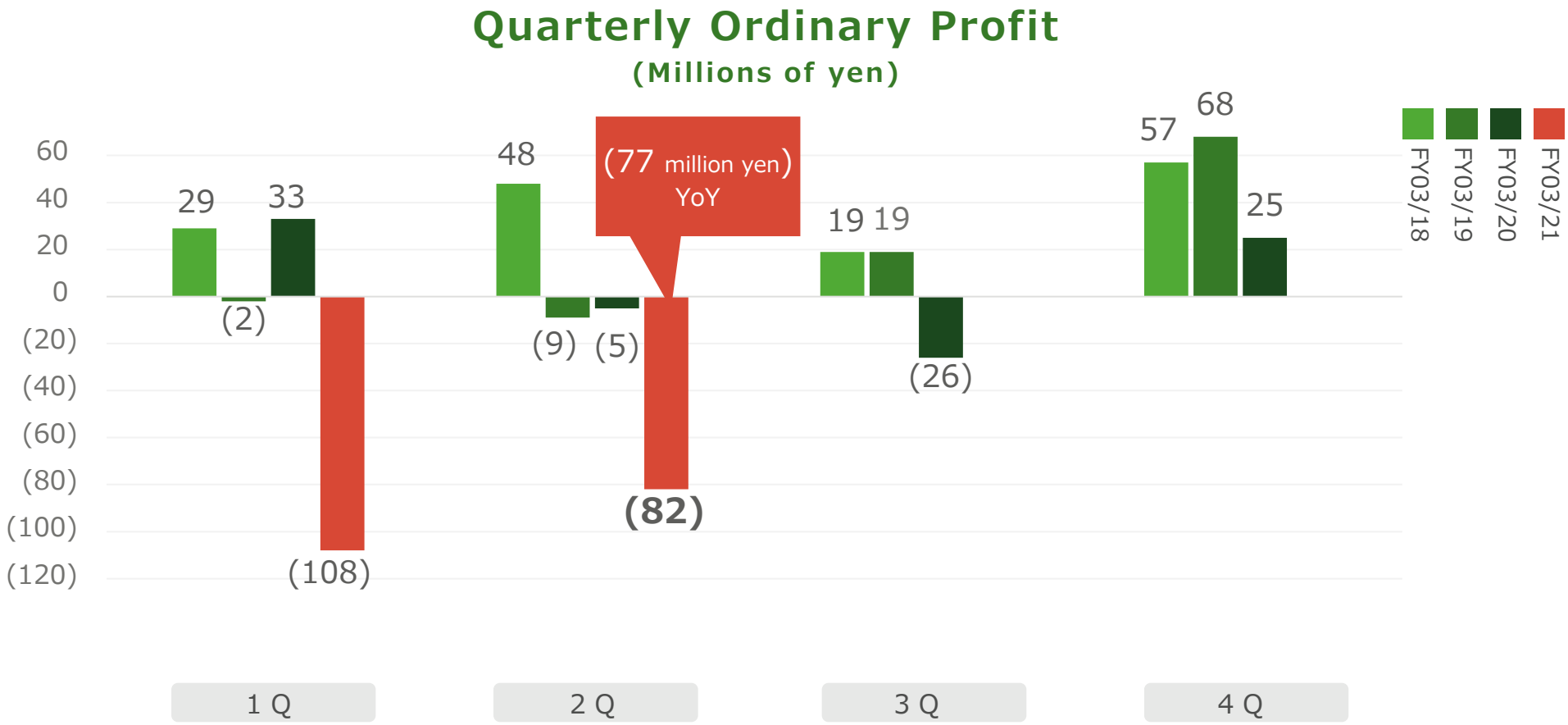
# Trends in Business Results — Quarterly ordinary profit

- While ordinary profit for 1Q FY03/21 decreased by 141 million yen compared to last year, ordinary profit for 2Q decreased by 77 million yen compared to last year, showing a gradual recovery trend.

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# Business Results for 1H FY03/21

- After hitting the bottom around May during the COVID-19-related state of emergency, business performance saw a trend toward recovery, but sales and profits declined compared to last year.

(Millions of yen)

| | 1H FY03/20 Actual results | **1H FY03/21 Actual results** | Year on year |
|---|---|---|---|
| **Sales** | 945 | **576** | (39.0%) |
| **Operating profit** | 27 | **(205)** | – |
| **Ordinary profit** | 27 | **(191)** | – |
| **Net profit** | 21 | **(192)** | – |

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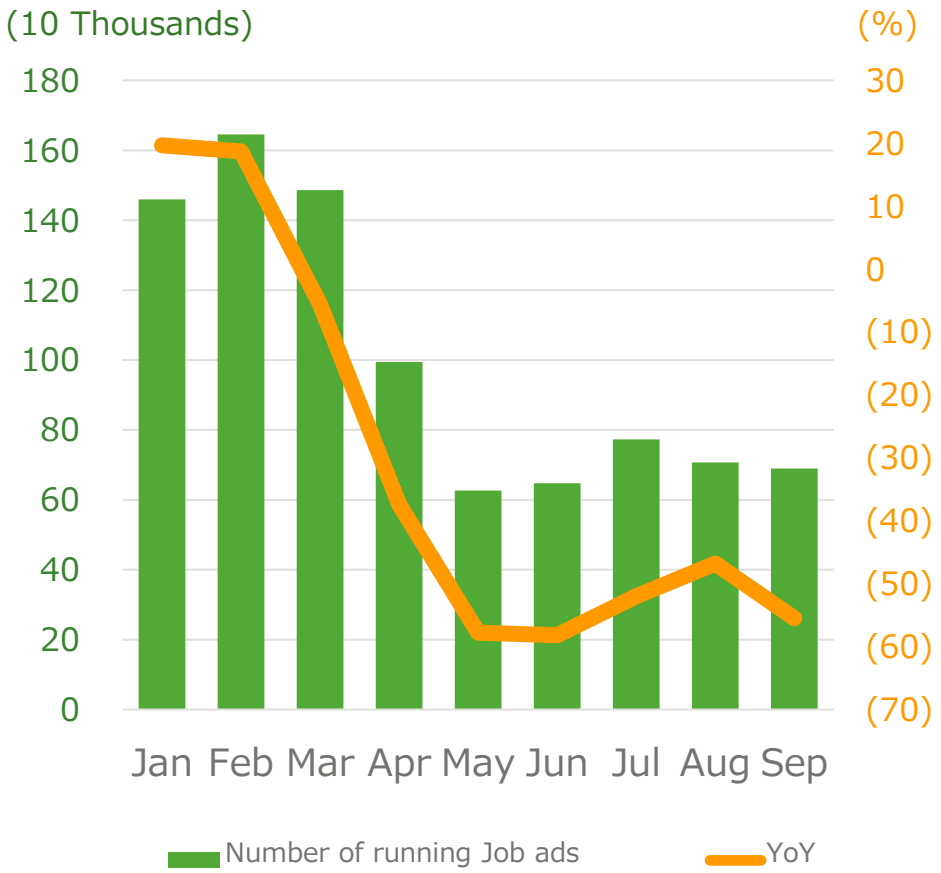
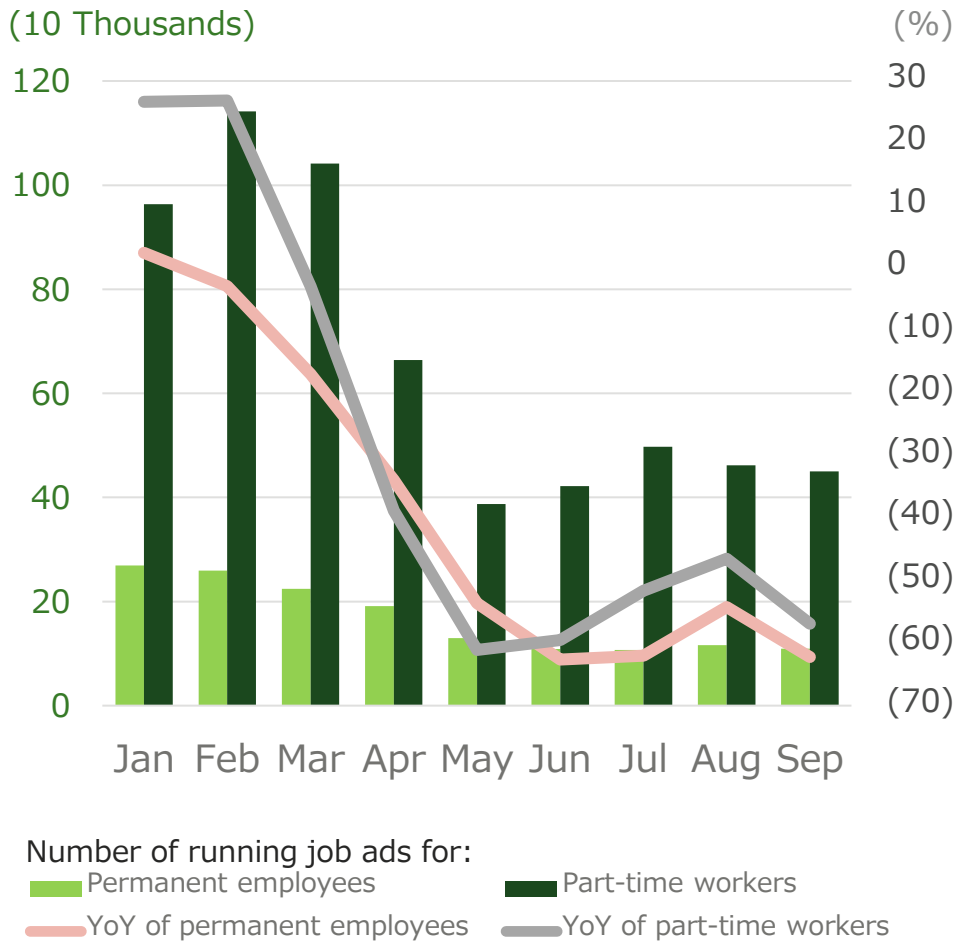
# External Business Environment and the Impact on Business Performance

## Number of Running Job Advertisements in 2020
## Change in Total Number of Ads by Occupation and Year-on-year Rate




## Number of Running Job Advertisements in 2020
## Change in Total Number of Ads by Employment Pattern and Year-on-year Rate




Note: Number of running job ads shows the average/week

Source : "Results on the Number of Running Job Advertisements" by ASSOCIATION OF JOB INFORMATION OF JAPAN

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# External Business Environment and the Impact on Business Performance — 1H FY03/21

| Negatives | Positives |
| --- | --- |
| • With the economy not having recovered yet due to the impact of COVID-19, orders from new clients cannot be secured at the same level as the previous year.<br>• Companies are seeing a delay in the recruitment activities of new graduates in 2022. | • With our good operational capabilities in programmatic advertising, the shift of orders from other companies have been accelerating.<br>• Excluding business including travel and restaurants directly affected by COVID-19, orders received in consumer advertising have recovered.<br>• Order ratio increased due to online sales negotiations attended with superiors. Striving to further improve operating efficiency. |

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# Business Forecast for FY03/21

- Employment conditions have deteriorated due to the spread of COVID-19. Because the external business environment is uncertain, the business performance forecast was announced in a range format on August 14, 2020.
- Business performance progress is currently as predicted. Because it is uncertain when COVID-19 will end, the business performance forecast announced on August 14, 2020 remains unchanged. When revisions to the business performance forecast become necessary, they will be promptly disclosed.

(Millions of yen)

| | FY03/20 Actual results | **FY03/21 Forecast** (full-year) | Year on year |
|---|---|---|---|
| **Sales** | 1,844 | 1,300～1,501 | (29.5%)～(18.6%) |
| **Operating profit** | 26 | (327)～(271) | – |
| **Ordinary profit** | 26 | (307)～(250) | – |
| **Net profit** | 0 | (309)～(252) | – |

☞ The above forecasts are based on information available as of August 14, 2020, and actual results may differ from these forecasts due to a variety of factors.

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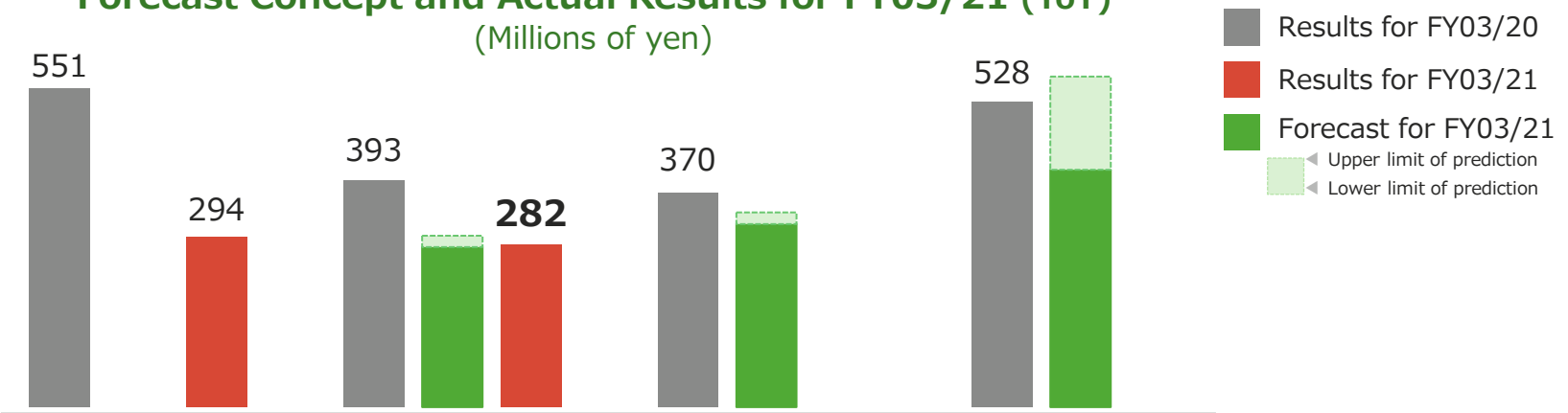
# Roadmap for FY03/21

- Sales are showing a recovery trend after sales bottoming out around May during the COVID-19-related state of emergency.
- As for the external business environment, although there is the social issue of labor shortage due to the declining birthrate and aging population, the recovery period of hiring interest among corporations continues to be uncertain due to the spread of COVID-19.

## Forecast Concept and Actual Results for FY03/21 (YoY)

(Millions of yen)




| 1 Q | 2 Q | 3 Q | 4 Q |
|---|---|---|---|
| Impact of COVID-19 | Signs of Recovery | Upswing | Recovery |
| Significant drop in sales due to reduced number of advertisements | In 2Q, the sales gap between FY03/20 and FY03/21 was limited, and the gap lowered compared with 1Q. | Increase in sales compared with 2Q FY03/21 | **Same level as FY03/20** Building mid- to long-term growth foundations |

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# Equity Ratio

- Our financial base is stable with an equity ratio of 87.4%.

(Millions of yen)

| | End of FY03/20 (Mar. 31, 2020) | | End of 1H FY03/21 (Sep. 30, 2020) | | |
|---|---|---|---|---|---|
| | Results | Composition ratio | Results | Composition ratio | Change |
| **Assets** | 1,428 | 100.0% | 1,114 | 100.0% | (313) |
| Current assets | 995 | 69.7% | 680 | 61.0% | (314) |
| Cash and cash equivalents | 802 | 56.2% | 548 | 49.2% | (253) |
| Fixed assets | 433 | 30.3% | 434 | 39.0% | 0 |
| **Liabilities** | | | | | |
| Current liabilities | 274 | 19.2% | 137 | 12.3% | (137) |
| **Net assets** | 1,153 | 80.8% | 977 | 87.7% | (176) |
| **Equity ratio** | | **80.6%** | | **87.4%** | **+6.8pt** |

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# III Business Review for FY03/21

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# Business Review for FY03/21

| | |
|---|---|
| 1. | Launch of HR Ads Platform |
| 2. | Expansion of “pinpoint and Other Programmatic Ads” |
| 3. | Expansion of New Graduate Recruitment Sales |
| 4. | Development Status of Proprietary Media |

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# Selection and Concentration of Our Business

- We advocate the selection and concentration of our business in the era of coexisting with COVID-19 and prioritize profitability to construct infrastructure for redrawing the growth curve.

**Business focus**

- HR Ads Platform
- pinpoint and Other Programmatic Ads
- New Graduate Recruitment Sales
- Consumer Advertising

- By incorporating the concepts of bidding and automatic ad delivery into recruitment media advertising, we lead the change in the recruitment advertising industry from face-to-face sales to sales by ad technology, corresponding to the era of coexisting with COVID-19.
- Focus on the business that has potential for player change while coexisting with COVID-19.
- Renew sales initiatives with a strategic sales partner.
- Support our sales by focusing consumer advertising, for which sales are thought to recover relatively soon.

**Business to reinforce after economic recovery**

- Gakuba Arbeit, Rakuraku Arbeit

- Because of the dramatic decrease in the number of job listings, Gakuba Arbeit and Rakuraku Arbeit will be reinforced after the economic recovery.
- Proprietary media are in the maintenance phase.

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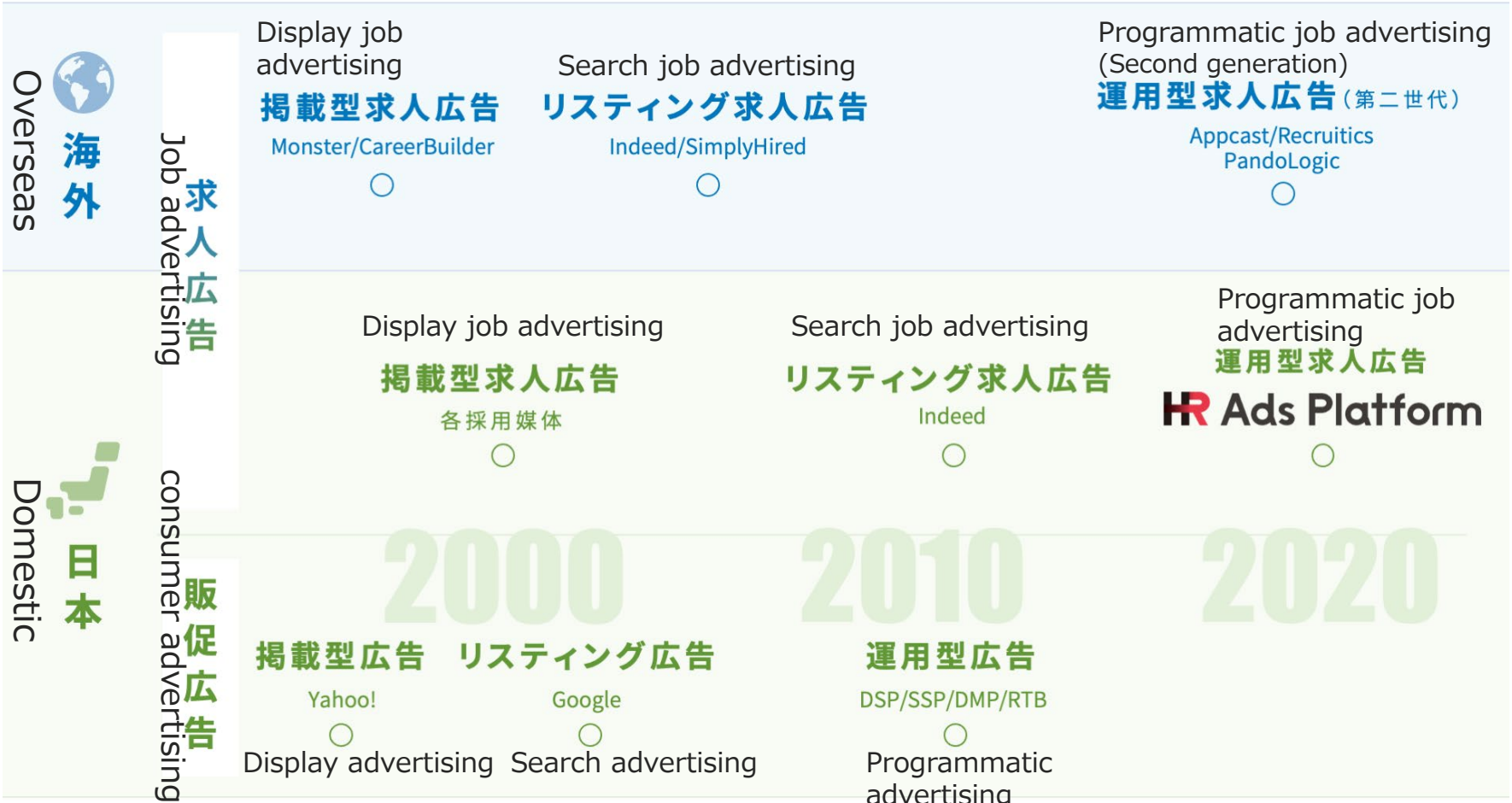
# 1. Launch of HR Ads Platform — Changes of Job Advertising

The method of domestic job advertising has been undergoing structural changes in accordance with overseas job advertising and domestic consumer advertising.




Appcast『What is Programmatic Job Advertising?』(https://appcast.wistia.com/medias/gyfgtcy3dk )

広瀬信輔『アドテクノロジーの教科書』(翔泳社、2016) をもとに当社作成

Source: Prepared by eole based on “Shinsuke Horie, (2018*). Textbook of Ad Technology,* Shoeisha.”

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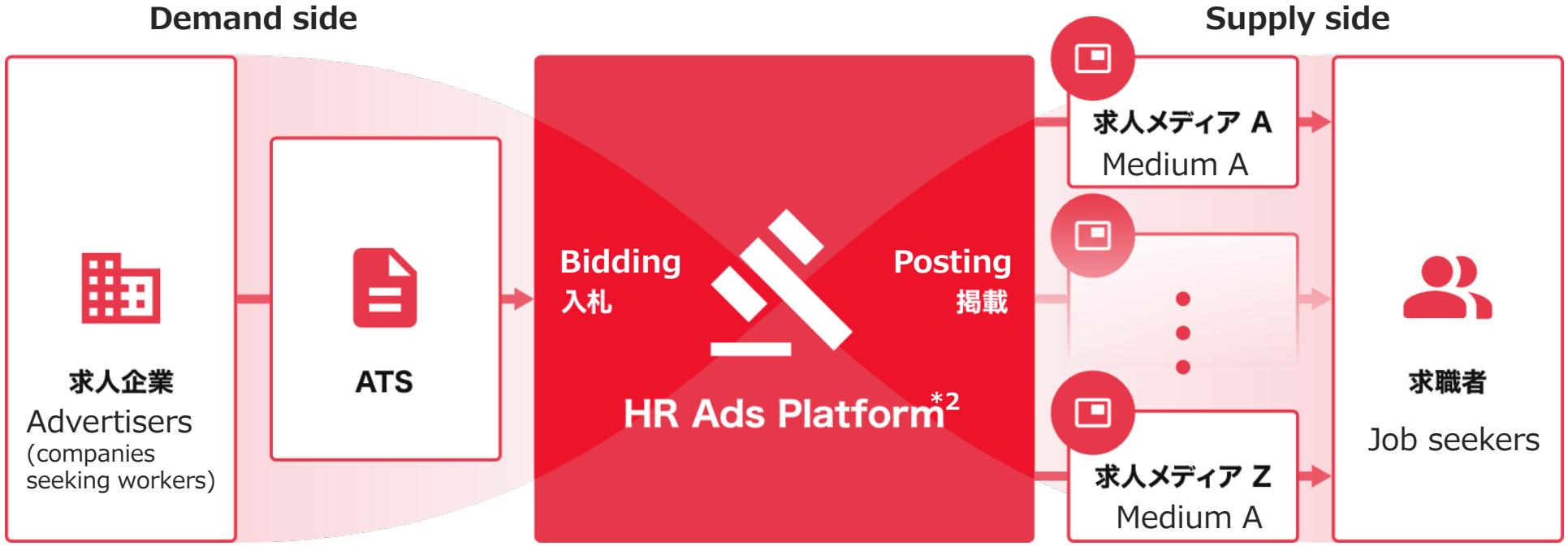
# 1. Launch of HR Ads Platform — Overview

- Advertisers (companies seeking workers) can automatically post job advertisements from abundant job posting manuscripts on ATSs*1, including JOBOLE, to job advertisement spaces on each medium.
- For posting, bidding such as cost per click (CPC) or cost per acquisition (CPA) is adopted. Every click or acquisition generated revenue, and we pay a commission to the media.




*1 Refer to “Glossary” (at the end of this material).

*2 HR Ads Platform website : https://hr-ads.jp/

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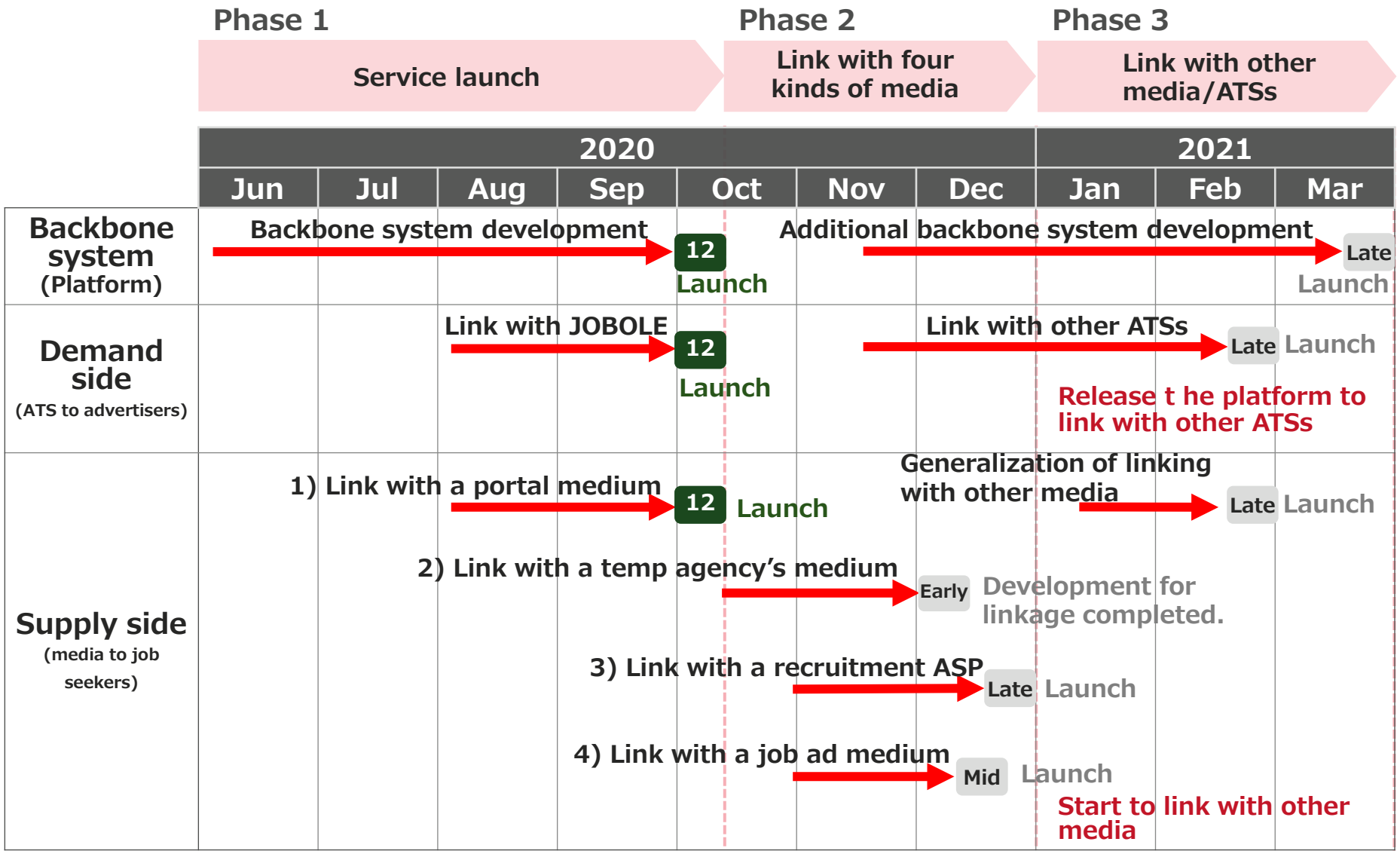
# 1. Launch of HR Ads Platform — Roadmap for FY03/21

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# 1. Launch of the HR Ads Platform — Topics

## A. Patent application

- Applied for a HR Ads Platform patent on October 9, 2020.
- The patent application is our intellectual property strategy to expand the HR Ads Platform business.

## B. Linked with “Lacotto” operated by CareerIndex

- HR Ads Platform was launched on October 12, 2020 and was linked with “Lacotto,” a portal site with more than 760,000 part-time job postings* nationwide, operated by CareerIndex Inc.
- This is expected to increase the number of job ads and improve user convenience.

## C. Post-launch market reaction

- We received many inquiries from advertisers (companies seeking workers), major ATSs, and job ad media.
- Development for gradual releases is continuing while pursuing collaboration with job ad media and ATSs.

* As of October 2020

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# 1. Launch of HR Ads Platform — Growth Strategy

## Growth Concept of HR Ads Platform



| | FY03/21 | FY03/22～ FY03/24 | FY03/25 |
|---|---|---|---|
| **Enhancing first-mover advantage** | • Link with four kinds of media<br>• Backbone system development<br>• Development generalization for linkage with media | • Promotion to link with other media based on linkages with four kinds of media<br>• Increase in purchasing ad spaces on HR Ads platform<br>• Building of efficient development system | • Link with major media<br>• Development of additional peripheral functions |
| **Increasing advertisers** | • Launch<br>• Open HR Ads Platform to other ATSs | • Accumulation of operational know-how and analysis of advertisers<br>• Enhancement of the administrator’s screen<br>• Expansion of JOBOLE | • Completion of opening HR Ads Platform to other ATSs<br>• Automated operation including AI |
| **Remarks** | • Launch the first programmatic job advertising platform in Japan | • Ensuring the same amount as major job ad media regarding the number of job posting manuscripts | • Become a market leader in the new job ad market |

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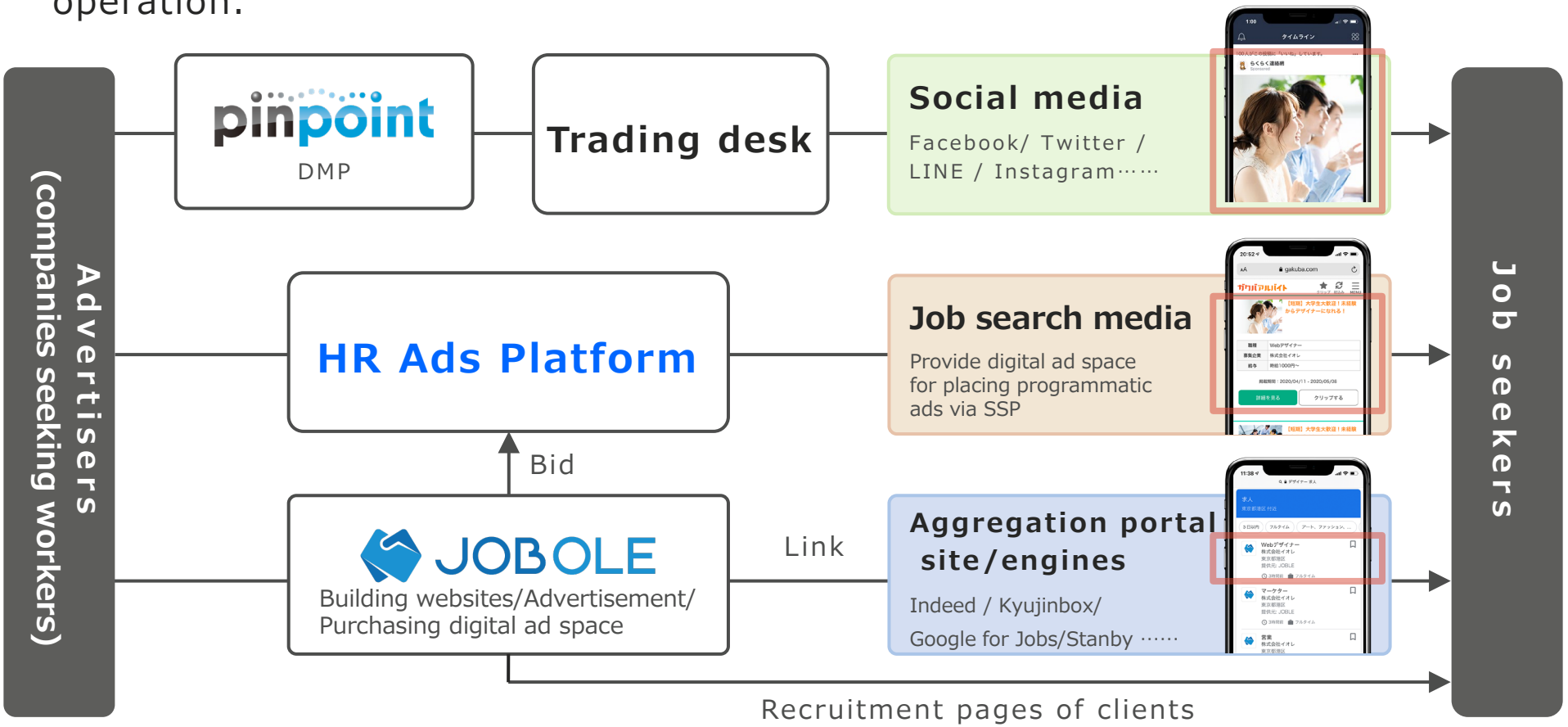
# 1. Launch of HR Ads Platform — Strategic Concept

- We have various channels for job seekers through SNS, recruitment media, aggregation sites and recruitment pages of clients.
- We aim to become a market leader in the new job advertising market by providing appropriate recruitment channel to advertisers through our operation.

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# 2. Expansion of “pinpoint and Other Programmatic Ads”

| What is necessary to succeed | | Content | Strengths | Future development |
|---|---|---|---|---|
| 1. | **Competitive data (DMP)** | Hold high-quality audience data including attribute data, which is most important, in volume. | Holding high quality data through the “Rakuraku Contact Network.” This data is very important in the job ad market. | In addition to the measures to increase membership for Rakuraku Contact Network, we advocate alliances with other data suppliers and finding new partner companies, thus expanding our data. |
| 2. | **Operation know-how** | Accumulate know-how of programmatic ads in the job ad market (including linkage with large social media and job search engines). | On “Indeed,” which is a programmatic job ad, JOBOLE has the unique operational method and know-how to achieve a high conversion rate. Also, it has considerable experience for linkage with large social media. | We will demonstrate our presence in the process transferred from the sales power game to the operational power game (effect) such as the era of search advertising expansion in the 2000s. |
| 3. | **Number of Job Listing Manuscripts** | Market share by handling the number of manuscripts | By utilizing JOBOLE as a pump-priming tool, we can acquire job seekers through “pinpoint and other programmatic ads.” | We will expand JOBOLE and the HR Ads Platform. |

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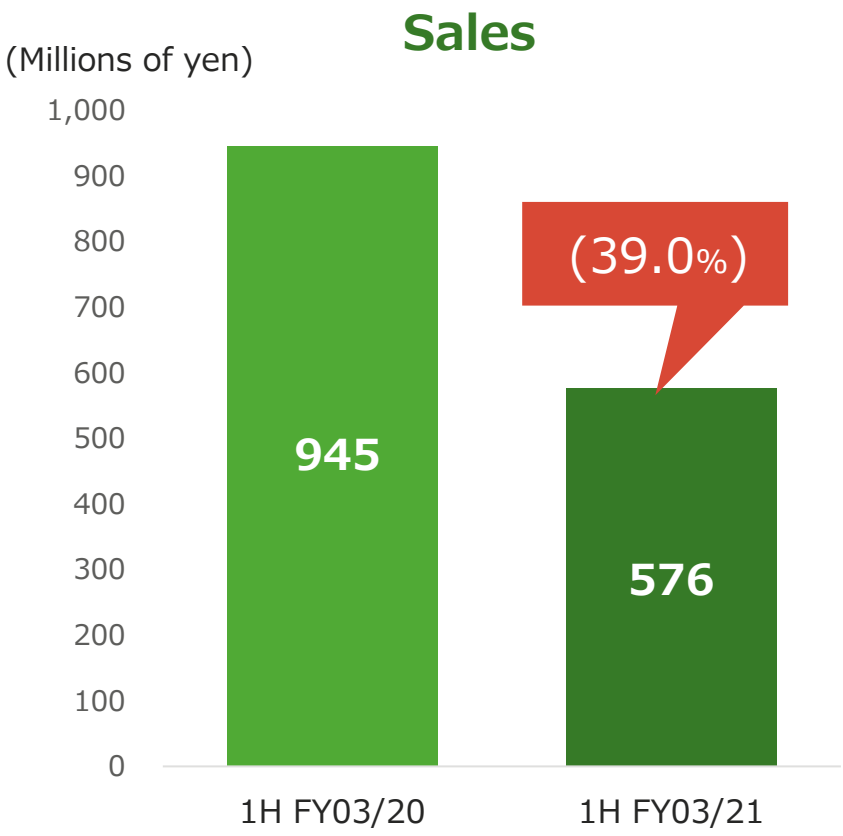
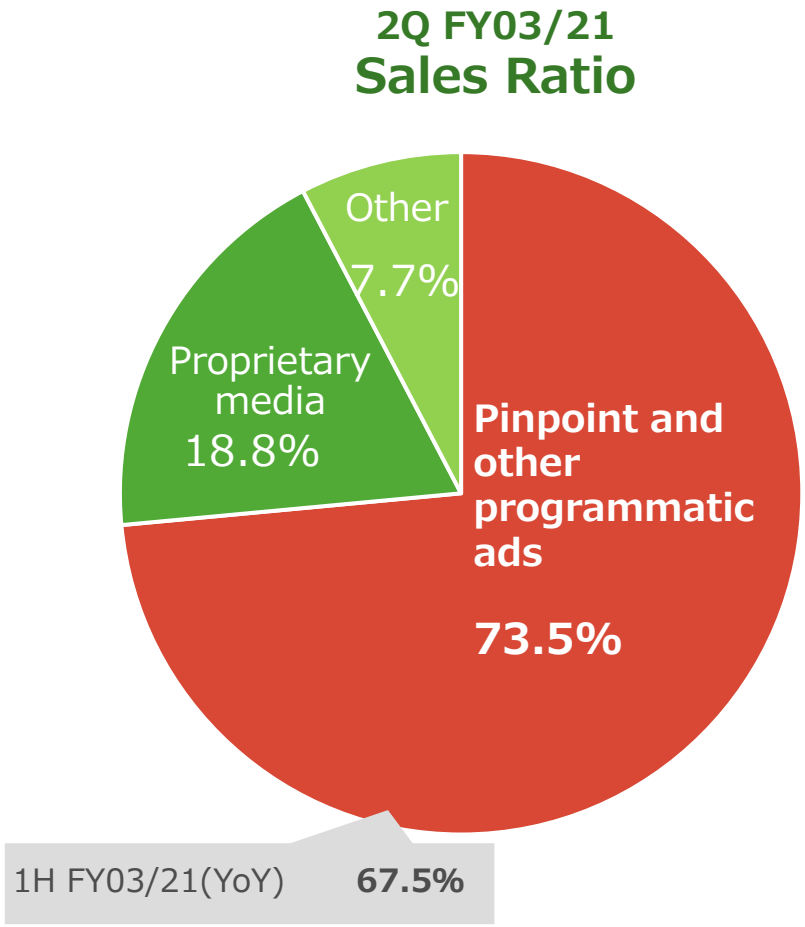
# 2. Expansion of “pinpoint and Other Programmatic Ads” (Continued)

- Continue to expand “pinpoint and other programmatic ads” while carefully observing the target industry, business and employment pattern.

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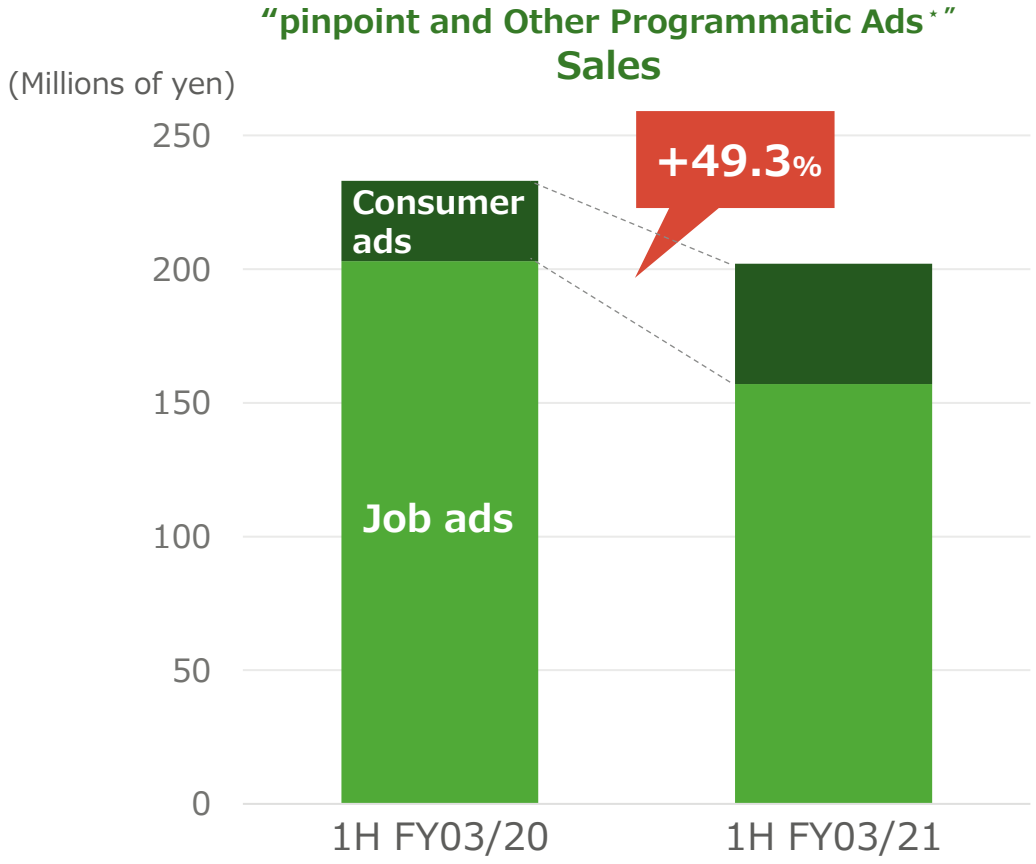
# 2. Expansion of “pinpoint and Other Programmatic Ads” (Continued)

- With our good operational capabilities in programmatic advertising, the shift of orders from other companies (ad agencies) has been accelerating.
- Awarded the 2020 First Half Total Sales “Silver Partner No. 1” in Indeed’s Certified Partner System.




* Compared by operation costs. Production costs such as creative work and web production are not included.

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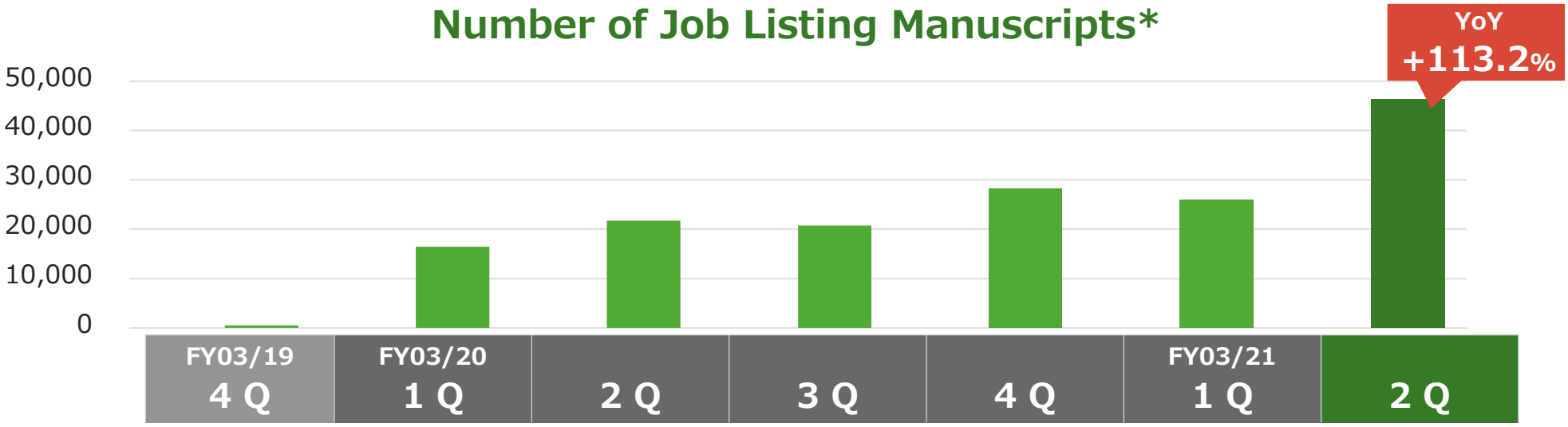
# 2. Expansion of “pinpoint and Other Programmatic Ads” — Progress of JOBOLE

## Number of Job Listing Manuscripts*




**FY03/19 4 Q**

- Mar JOBOLE released

**FY03/20 1 Q**

- Apr Linkage with Indeed
- Jun Corresponding with Google for Jobs
- May Optimization of displayed recruitment page on smartphones

**2 Q**

- Aug Linkage with Kyujinbox
- Jul
  - Improvement of usability on JOBOLE management screen
  - Improvement of import function on JOBOLE management screen
  - Improvement of feed job information from JOBOLE to linked job search engines

**3 Q**

- Oct Linkage with Stanby (Yahoo! Shigoto Kensaku)
- Oct Improvement of import function through JOBOLE management screen

**4 Q**

- Jan
  - Prevention of duplicate job manuscripts and optimization of job posting
  - Promotion of sort function on job management screen
- Mar Development of visualization feature for companies’ recruitment progress

**FY03/21 1 Q**

- Apr Addition of message function and dashboard function
- Jun Release of new price plan

**2 Q**

- Jul Change the design (UI/UX) of recruitment site, applicant, and job category management screens

- The number of job manuscripts is the figure listing on JOBOLE at the end of each quarter.

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# 3. Expansion of New Graduate Recruitment Sales

- We focused on new graduate recruitment sales with a strategic sales partner, and started nationwide development in July. But recruitment activities were delayed due to the impact of COVID-19.
- On the other hand, we currently have engaged in cooperation in the field of mid-career recruitment.

### Review of recruitment approach due to the impact of COVID-19

- Cancellation of internship
- Cancellation of large-scale events such as joint corporate information sessions for job hunting

### Discontinue hiring guideline for new graduates in 2021 due to the decision by Keidanren

- Diversification of recruitment schedules (all-year recruiting activities for new graduates)
- Global recruitment



### A big change in hiring new graduates

- Trend of earlier recruitment activities
- Diversification of recruitment activities and approaches

**We will aggressively expand our share of new graduate recruitment, such as gathering job seekers through websites using pinpoint DMP, which has abundant data on university students.**

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# 4. Development Status of Proprietary Media
## — Transition to maintenance/operation phase of proprietary media

- Development of Gakuba Arbeit was finished in January 2020, and development of Rakuraku Arbeit was finished except for linkage in April 2020. Both are in the maintenance phase.
- A new app for Rakuraku Contact Network released on August 31 to reduce operating costs. Through these developments, future maintenance and operation costs can be reduced.
- Devoted development resources to the HR Ads Platform.

| FY03/20 4 Q | FY03/21 1 Q | 2 Q | ・・・ |
|---|---|---|---|

### Gakuba Arbeit




↑ **Development finished in Jan.**

Invest-ment phase → **Operation phase**

To simplify membership registration

### Rakuraku Arbeit




↑ **Development finished except for linkages in Apr.**

**Investment phase** → **Operation phase**

To improve functions

### Rakuraku Contact Network




↑ **A new app was released on August 31.**

**Investment phase** → **Operation phase**

To reduce operation cost

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## Launched the “Rakuraku Renrakumo Dot App”

Launched the group activity-oriented contact network service “Rakuraku Renrakumo Dot App” for iOS/Android on August 31, 2020.

Rakuraku Renrakumo Dot App
らくらく連絡網.app（ドットアップ）




**Development Objectives**

- Reduce man-hours required for maintenance and operation of the Rakuraku Contact Network.
- Realize a “contact-specific” application with less functions for greater user convenience.

**Future Developments**

- With the trend of increasing corporate usage needs due to business environment changes such as the demand for “the new lifestyle,” we are considering utilizing the app in customizable SaaS solution businesses.

⋆ Rakuraku Renrakumo Dot App website : https://ra9.app/

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## Contact-specific App “Rakuraku Renrakumo Dot App” Features

Rakuraku Contact Network
らくらく連絡網



Rakuraku Renrakumo Dot App
らくらく連絡網.app




- Simple design focusing on necessary functions
  - Can send messages to all group members at once
  - Can create surveys with results instantly understandable without the need to tally them.
  - Can share up to 50MB of photos and files per message.
- No need for troublesome communication
  - No friend requests, no unnecessary chats and no unwanted notifications
- Easy to use
  - No passwords
  - Intuitive and simple to operate

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# Our Response and Business Impact to the Spread of COVID-19

- Develop proactive initiatives and respond to a changing society.

## Work system

- June 1: Implemented work system combining teleworking and office working
- August 1: Standardized teleworking and advocated for a more flexible work style
- October 1: Started paying teleworking compensation

## Work style

- Implement teleconference and internet conference, prohibit non-urgent business trips and maintain a hygienic environment, such as by wearing masks.
- We have been promoting the acquisition of potential clients through websites since last year and using new sales methods such as online sales negotiation.
- Implement a mentor system as part of the new graduates onboarding program during teleworking.

## Response to social changes

- Building a system to efficiently acquire leads (potential clients) for accepting orders.
  - ➡ Inside sales from lead nurturing
    For example, we published white papers dedicated to university student marketing on July 1.




https://daigaku-koukoku.com/download/ （当社「大学生広告ナビ」）

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# IV Other Business Initiatives

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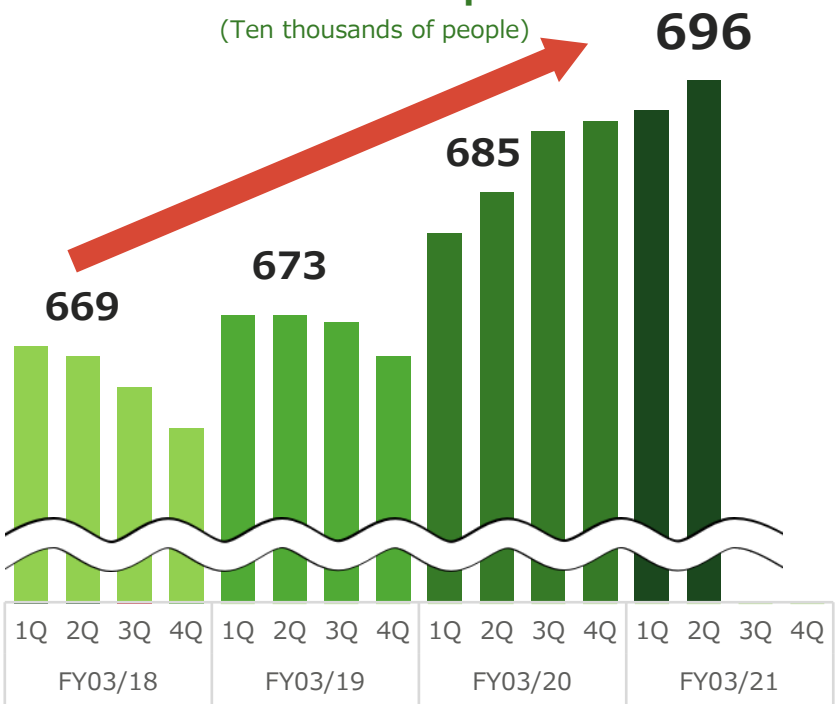
# Increase in Rakuraku Contact Network Memberships and Number of Groups

- Although the number of members is rising, growth was slow compared to last year due to restrictions on group activities from the impact of COVID-19.

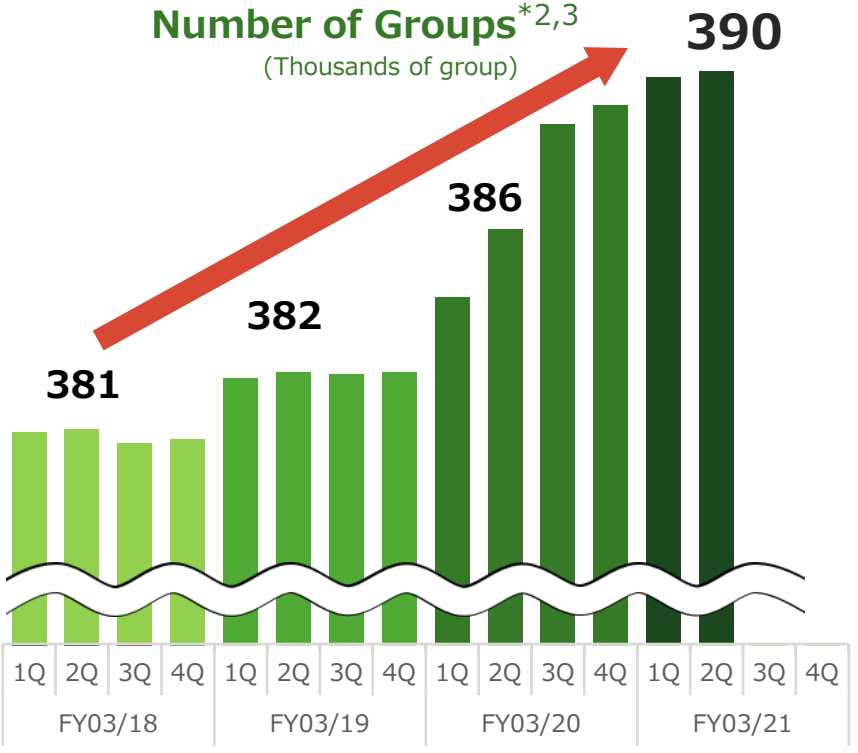
**Rakuraku Contact Network Memberships**[*1]

(Ten thousands of people)




**Rakuraku Contact Network Number of Groups**[*2,3]

(Thousands of group)




There is a seasonal change where memberships and groups tend to increase from April to June with the beginning of new semesters, while figures tend to decrease from the end of December to the end of March with the end of semesters, etc. In FY03/20, memberships and groups at the end of semesters increased as shown above.

*1 Figures are rounded down to the nearest thousand.

*2 Figures are rounded down to the nearest thousand.
*3 A group is a group with more than three members.

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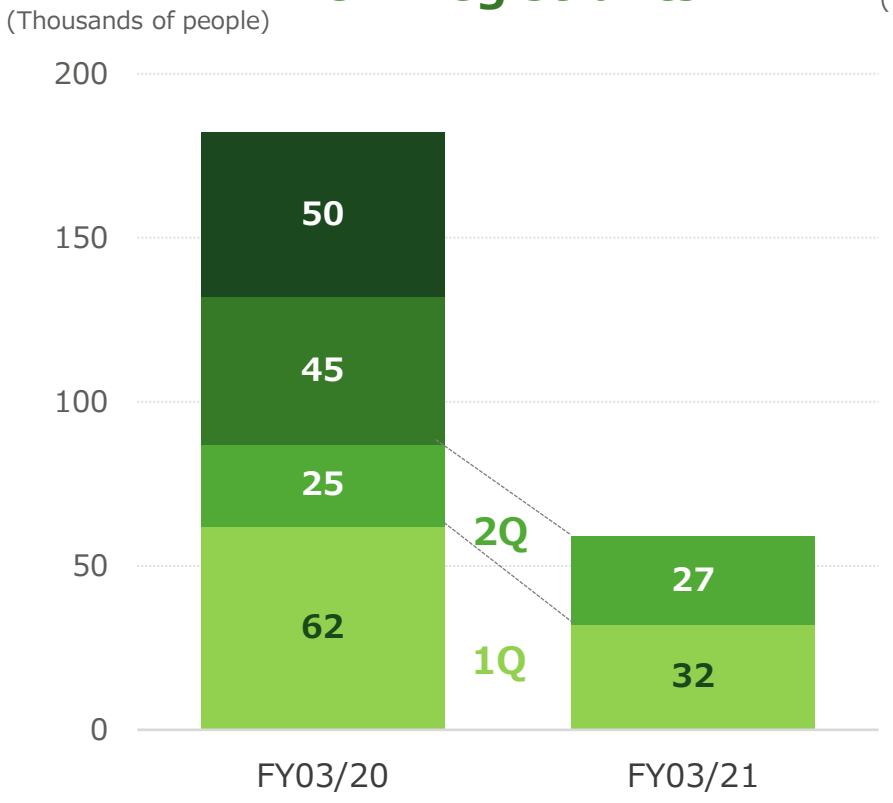
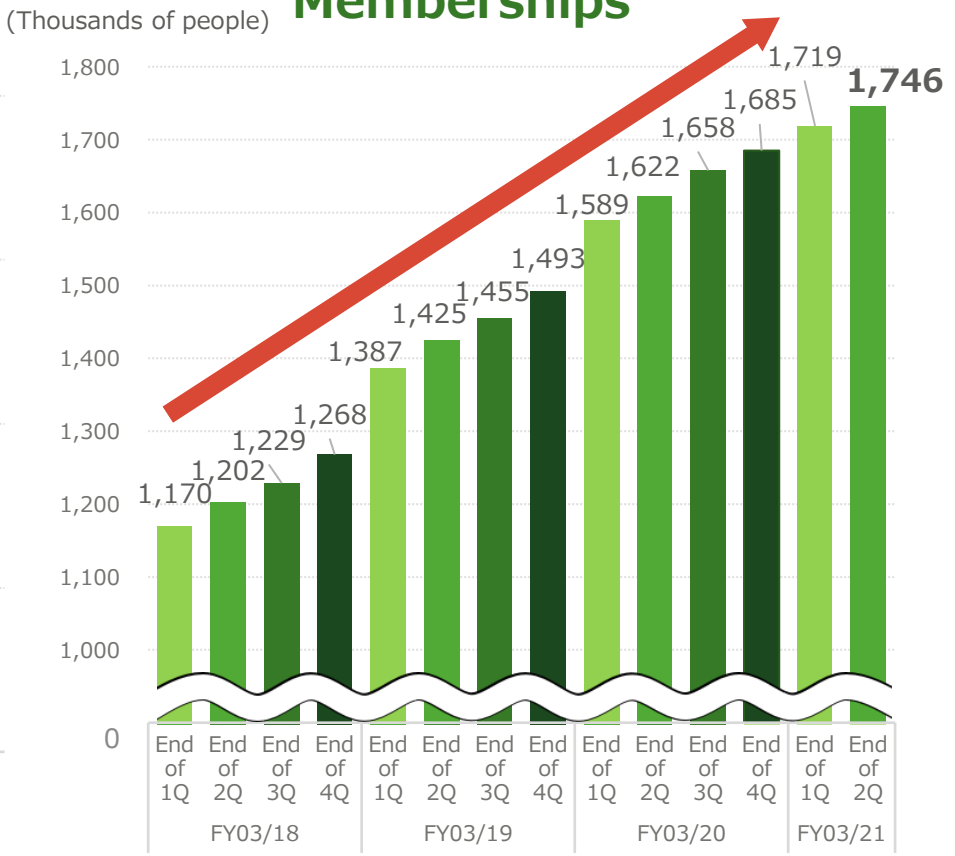
# Initiatives for Gakuba Arbeit and Rakuraku Arbeit

- Number of new Gakuba Arbeit registrants (1H): A total decrease of 32.2% compared to last year following a recovery trend in the number of job advertisements.
- Rakuraku Arbeit Memberships: Increased by 7.6% compared to last year due to the increase in the number of Rakuraku Contact Network memberships.

## Gakuba Arbeit
## New Registrants




## Rakuraku Arbeit
## Memberships

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# B/S Summary in 1H FY03/21

(Millions of yen)

| | End of FY03/20 (Mar. 31, 2020) | End of 1H FY03/21 (Sep. 30, 2020) | Change |
|---|---|---|---|
| **Assets** | | | |
| Current assets | | | |
| Cash and cash equivalents | 802 | 548 | (253) |
| Accounts receivable-trade | 170 | 105 | (64) |
| Other | 22 | 25 | 3 |
| Total current assets | 995 | 680 | (314) |
| Fixed assets | | | |
| Tangible fixed assets | 4 | 3 | (0) |
| Intangible fixed assets | 353 | 356 | 2 |
| Investments and other assets | 74 | 73 | (0) |
| Total fixed assets | 433 | 434 | 0 |
| **Total assets** | **1,428** | **1,114** | **(313)** |

| | End of FY03/20 (Mar. 31, 2020) | End of 1H FY03/21 (Sep. 30, 2020) | Change |
|---|---|---|---|
| **Liabilities** | | | |
| Current liabilities | | | |
| Account payable-trade | 165 | 66 | (99) |
| Income taxes payable | 7 | 5 | (2) |
| Other | 101 | 66 | (35) |
| Total current liabilities | 274 | 137 | (137) |
| **Total liabilities** | **274** | **137** | **(137)** |
| **Net assets** | | | |
| Shareholders' equity | 1,150 | 974 | (176) |
| [Retained earnings] | [(267)] | [(460)] | [(192)] |
| Share options | 2 | 2 | – |
| Total net assets | 1,153 | 977 | (176) |
| **Total liabilities and net assets** | **1,428** | **1,114** | **(313)** |

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# Glossary

| Term | Definition |
|---|---|
| **ATS (Applicant Tracking System)** | A unified management system for supporting the recruitment process of companies, from job application to hiring. |
| **CPC (Cost Per Click)** | CPC (Cost per click) has two different meanings. One is the cost per click of a user through advertisement, while the other is the unit price of a pay-per-click advertising transaction. |
| **CPM (Cost Per Mille)** | Cost of 1,000 ad reach or exposure. |
| **DMP (Data Management Platform)** | A platform for managing data such as website access logs, purchase data and advertising data and optimizing a company's marketing activities by utilizing said data. |
| **DSP (Demand Side Platform)** | A demand-side platform (DSP) is an ad delivery system that conducts RTB (real-time bidding) to many ad spots on websites based on user action history and their attribution. |
| **pinpoint DMP** | DMP developed by eole. pinpoint DMP has abundant user data being encrypted and not identifying any personal information which enables ad distribution and marketing surveys utilizing user information taken from Rakuraku Contact Network and affiliated companies. |
| **RTB (Real-Time Bidding)** | An auction system for digital advertisement space. Every time a user visits a website (impression), user information from cookie and advertisement space information such as minimum bid price are instantly sent to DSPs. Advertisements with the highest bids are displayed. |
| **SSP (Supply-Side Platform)** | A supply-side platform is a platform that maximizes media revenue, including websites, apps, etc. An advertisement offering the highest price for the ad space is displayed through SSP. |
| **Ad exchange** | A platform coordinating advertisement space stock and demand among DSPs, SSPs and ad networks, in addition to advertising agencies. |
| **Ad network** | An advertising network for ad distributable media such as websites, social media, and blogs. It can deliver ads all at once. |
| **Programmatic ad** | An advertising method that automatically or instantly assists with the optimization of an advertisement with a platform processing huge volumes of data. This includes search ads and some ad networks. Typical examples are DSPs, ad exchanges, and SSPs. |
| **Trading desk** | An agency service which manages digital advertisements using DSP and the other platforms, etc. |

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